

## Message Text

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63

ACTION EA-14

INFO OCT-01 EUR-25 NEA-14 ISO-00 IO-14 DPW-01 AID-20

ACDA-19 OMB-01 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 CIEP-02 TRSE-00 DRC-01 /186 W

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R 281352Z JUN 74

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 1542

INFO AMEMBASSY JAKARTA

AMEMBASSY SAIGON

AMEMBASSY TEHRAN

AMEMBASYO WARSAW

C O N F I D E N T I A L BUDAPEST 1685

E.O. 11652: GDS

TAGS: MARR, HU

SUBJECT: HUNGARIAN CURRENT ATTITUDES TOWARD ICCS-BUDGET

REFS: A) STATE 128192; B) BUDAPEST 1681; C) WARSAW 3448

1. SUMMARY. FOLLOWING DISCUSSION GOH PRESENCE AT ICCS INSPECTION SITES (REF B), I READ PARAS 5 AND 6 OF REF A TO STATE SECY MARJAI IN MEETING ON JUNE 25. ALTHOUGH I AT LEAST THREE TIMES REFERRED TO OUR SUSPICION DRV/PRG WERE DELIBERATELY SEEKING TO UNDERMINE ICCS BY NOT PAYING THEIR DUES, MARJAI MADE NO COMMENT ON THIS POINT. IN OBVIOUS COORDINATION WITH POLISH POSITION, HE SAID ICCS MEMBERS COULD NOT APPROACH DRV OR PRG. MAINTAINED BASIC PROBLEM WAS THAT THEY HAD NO MEANS OF EARNING FOREIGN EXCHANGE AND THAT OUTSIDE ASSISTANCE WAS IN KIND NOT IN CONVERTIBLE CURRENCY. END SUMMARY.

2. AFTER I HAD READ PARAS 5 AND 6 OF REFTEL URGING GOH  
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TO INDUCE DRV/PRG TO APPROVE BUDGET AND PAY THEIR PAST

AND CURRENT OBLIGATIONS, MARJAI SAID ICCS MEMBERS DID NOT HAVE RESPONSIBILITY TO GO TO FOUR PARTIES TO SEEK MONEY AND THAT GOH WOULD NOT BE IN POSITION TO DO THIS. IT WAS THE SIGNATORIES' RESPONSIBILITY TO SEE THAT THE EXPENSES OF THE ICCS WERE ADEQUATELY COVERED. THE GOH, HE CONTINUED, WAS ALREADY SUFFERING GREATLY FROM HAVING TO PAY UNANTICIPATED EXPENSES CONSIDERABLY BEYOND THE 2 PERCENT OF COST RESPONSIBILITIES WHICH THEY HAD ASSUMED. THIS PROCESS IN ITSELF COULD NOT GO ON FOREVER.

3. I NOTED THAT THE USG AND GVN ARE MAKING VERY SUBSTANTIAL CONTRIBUTIONS. THE CENTRAL COMMITTEE HAD RECENTLY DECIDED THAT HUNGARY SHOULD CONTINUE TO PARTICIPATE IN THE ICCS. IT WAS ALSO PAYING ITS SHARE. COULD NOT THE GOH USE ITS INFLUENCE ON THE DRV FOR THE PRG TO DO THE SAME, OR DOES THE GOH SHARE OUR ESTIMATE THAT THE LATTER ARE WITHHOLDING FINANCIAL SUPPORT IN ORDER TO SABOTAGE THE ICCS? MARJAI AVOIDED THE LATTER POINT AND REPEATED THAT THE GOH COULD NOT MAKE SUCH A DEMARCHE, WHICH WAS THE RESPONSIBILITY OF THE SIGNATORIES TO WORK OUT AMONG THEMSELVES. HE ADDED AS A "PERSONAL NOTE" THAT THE DRV AND PRG HAVE NO HARD CURRENCY FOR SUCH CONTRIBUTIONS AND THAT THEIR POSSIBILITIES FOR EARNING SUCH CURRENCIES ARE PRACTICALLY NIL, EXPANDING ON IDEA THAT THEIR OUTSIDE ASSISTANCE ALSO GAVE THEM NO HARD CURRENCY.

4. MARJAI MADE NO REFERENCE TO POSSIBILITY FURTHER REDUCTION OF SIZE OF CONTINGENTS, THOUGH THAT MAY BE WHAT HE HAD IN MIND WHEN HE SAID COSTS COULD NOT GO ON THIS WAY FOREVER. I THOUGHT IT WAS INTERESTING THAT HE MADE NO DIRECT RIPOSTE TO IDEA DRV SEEKING TO USE BUDGET TO UNDERMINE ICCS. MY IMPRESSION FROM DETAIL WITH WHICH HE REVIEWED DRV FINANCIAL PICTURE WAS THAT THEY HAD LOOKED INTO ICCS FINANCES EXTENSIVELY. WHAT THEY HAVE SAID TO DRV WOULD ONLY BE A GUESS. IN ANY CASE THERE SEEMS TO BE NO PROSPECT THAT GOH WOULD MAKE ANY CASE FOR FUNDS FROM DRV/PRG THAT WOULD PRODUCE ANY MONEY. MARJAI AT ONE POINT SAID ONLY WAY THIS COULD BE DONE WOULD BE FOR GOH TO GIVE THEM \$6 MILLION WHICH WOULD BE IMPOSSIBLE.

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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